

REMARKS

In view of the foregoing amendments and following remarks, reconsideration of this application and early allowance of the application is respectfully requested.

Claims 1-3, 8, 11, 13-17, 19-22, 27, 30, 32-36 and 38 are currently pending in this application. Independent claims 1 and 20 have been amended herein; and appropriate conforming amendments have been made to dependent claims 2, 3, 8, 11, 21, 22, 27 and 30. Claims 10, 12, 29 and 31 were canceled herein without prejudice. New claim 39 has been added. No new matter has been introduced by the foregoing.

In the final Office Action mailed July 3, 2003 claims 1-3, 8, 10-17, 19-22, 27, 29-36 and 38 were finally rejected under 35 U.S.C. §103(a) as being obvious over Walker et al. U.S. Patent No. 5,945,653. Since claims 10, 12, 29 and 31 have been canceled without prejudice, the claim rejections applied to these claims are now moot. Based on Applicants' amendment of independent claims 1 and 20 herein and dependent claims 2, 3, 8, 11, 21, 22, 27 and 30, and for the reasons detailed below, Applicants request that the rejection of the pending claims under U.S.C. §103(a) be withdrawn, and notice to the effect that these claims are patentable over Walker is respectfully solicited.

As set forth in detail in the present application, and as explained in Applicants' previous submissions, Applicants' invention is directed to a new system and method for enhancing the value and desirability of a substantially conventional credit card or like card to both the card holder and to the issuer of the card through a program by which the issuer of the card awards rebates to its card holders based on the card holders' usage of the card. In contrast to conventional credit card programs sponsored by particular merchants which limit the card holders to redeeming rebates for specific goods or services purchased from such particular

sponsoring merchants, the rebate benefits according to the present invention are provided by the card issuer and can be based on the purchase of goods and services of any provider or on other credit card transactions (such as cash advances and transfers of credit balances) which satisfy rules pre-defined by the credit card issuer. Thus, the credit card rebate rewards program according to the present invention avoids the need for traditional partnerships with providers of goods and services such as co-branding arrangements or the like.

With paragraph 5 of the Office Action (Examiner's Response to Arguments) in mind, claims 1 and 20 have been amended to more particularly point out and distinctly claim the foregoing. Specifically, claims 1 and 20 now recite that "said pre-defined program rules [permit] the purchase using said credit card of at least one of goods and services of any provider of goods or services regardless of whether there is a co-branding relationship between said issuer and said provider associated with said credit card," and that "said rebate payment [is] unrestricted by said issuer and said provider as to use by said holder."

Rebates in accordance with the present invention come directly from the card issuer and can be in the form of an actual transfer of funds from the card issuer to the card holder or applied as a set-off against the card holder's outstanding card balance. Also, the card holder can transfer rebates earned to other authorized card holders.

Walker does not teach or suggest the system and method according to the present invention. Walker describes a system that allows a merchant to purchase a "function" (discount, rebate, special interest rate incentive or other custom financing, or customer-specified message that will appear on credit card statements) with selected credit card issuers for execution within conventional credit card transaction point-of-sale processing systems, to enable the merchant to offer customers specific purchase incentives or "merchant-based special purchase promotions"

[see col. 5, line 15] on an ad hoc basis (i.e., at the point-of-sale) [see col. 3, line 42, to col. 4, line 5; see also, col. 5, lines 1-15]. The card issuer can also establish functions.

In the Walker system, the functions are specified by “function identifiers” or “function codes” that must be presented by the merchant or by the customer to the merchant at the point-of-sale, in addition to (separate from) the credit card, to obtain the benefit of the promotion [see col. 9, lines 6-9, 23-27, and 32-67; col. 10, lines 1-4 and 22-60; col. 14, lines 57-61; col. 15, lines 27-37 and 65-67; col. 17, lines 60-64; col. 18, lines 57-64; col. 19, lines 44-56; see also FIG. 7B, step S7-12]. The function identifiers, which “can be printed on the credit card holder’s billing statement and can be easily remembered and presented to a merchant at the point-of-sale,” are manually entered into the point-of-sale terminal or otherwise communicated to the credit card issuer (e.g., by telephone) [see, e.g., col. 10, lines 38-60].

Walker, in all disclosed embodiments, absolutely requires that a function identifier or code be presented at the point-of-sale to redeem any credit card rewards program benefit. There is no such requirement in the method and system according to the present invention.

In accordance with the present invention, rebates are earned from the card issuer solely upon making purchases or effecting other credit card transactions that (alone or cumulatively) satisfy the rules pre-defined by the credit card issuer. That is, it is the fact of the qualifying purchase(s) or other transaction(s) that provides the card issuer with all it needs to recognize a rewards program event and provide an appropriate rebate to the card holder. Outside of the actual qualifying purchase(s) or other transaction(s), in the method and system according to the present invention there is no need for (and hence no procedural or structural

accommodation for) the card holder or merchant to communicate to the card issuer any notice that a rewards program triggering event has occurred or that reward redemption is desired.

Claims 1 and 20 have been amended to more particularly point out and distinctly claim the foregoing. Specifically, it is submitted that the recitation in amended claims 1 and 20 that the “rebate tally [is] automatically updated in said database in response to said ones of said credit card transactions that comply with said pre-defined program rules without notice from said holder and said provider” more clearly captures the foregoing advantageous aspects of the present invention.

Furthermore, Walker, in all disclosed embodiments, requires that the function affect a given (point-of-sale) transaction or the credit card account relative to such given transaction [see e.g., col. 5, line 31, to col. 7, line 63; and col. 8, lines 38-56]. There is no such requirement in the method and system according to the present invention. Credit card holders can become eligible to receive rebate rewards from the credit card issuer according to the present invention based on a given qualifying transaction (whether or not a purchase) or based on a series of qualifying transactions, but the rebate does not affect given (point-of-sale) transaction(s).

Claims 1 and 20 have been amended, with paragraph 5 of the Office Action (Examiner’s Response to Arguments) in mind, to more clearly capture the foregoing advantageous aspects of the present invention. Specifically, claims 1 and 20 now recite that the rebate payment from the card issuer to the holder based on the rebate tally is provided “without affecting any point-of-sale credit card transactions of said holder.”

Additionally, although Walker indicates generally that functions can be rebates [rebates are mentioned only in col. 3, line 47, col. 10, lines 16 and 65, and col. 15, line 43], there

is no disclosure in Walker of any details whatsoever indicating how a rebate transaction can be implemented. Rather, Walker's focus is on rewards that can be applied, ad hoc, at the point-of-sale (in the form of percentage discounts or discounts of a specific monetary amount). The implementation of rebates, which are realized not at the point-of-sale but some time after a purchase, of necessity involve process and system elements different from implementation of a discount realized at the point-of-sale. Thus, Applicants respectfully submit that Walker is inadequate to teach or suggest a method and system directed to implementing a credit card rebate rewards program such as is affirmatively recited in the claims of the present application.

In rejecting the present application claims, particularly independent claims 1 and 20, the Examiner relies on the description in Walker of the American Express "Express Rewards" and "Custom Extras" programs. Applicants submit that such reliance is misplaced. Unlike the present claimed invention, the American Express programs described in the Walker patent are not at all concerned with rebates -- the rewards provided are discounts applied at the point-of-sale by the merchant. Thus, contrary to the Examiner's interpretation and the present application as now claimed, the rewards are applied with respect to (affect) given point-of-sale transactions. Moreover, in stark contrast to the card issuer driven rewards program according to the present claimed invention, the American Express programs are "merchant-driven" (based on requirements/rewards set by the merchants).

For all the foregoing reasons, Applicants respectfully submit that one of ordinary skill in the art who reads and understands Walker, including the discussion of the American Express programs, would not be inclined, let alone equipped, to arrive at the present invention as claimed in the present application. Independent claims 1 and 20 of the present application recite

steps and features nowhere described or suggested in any portion of Walker, and Walker cannot render these claims obvious.

Accordingly, it is submitted that claims 1 and 20 are patentable over Walker, whether taken alone or combined with any other reference. Notice to this effect is earnestly solicited.

Claims 2, 3, 8, 11, 13-17 and 19 which depend from claim 1, and claims 21, 22, 27, 30, 32-36 and 38 which depend from claim 20, are allowable for the same reasons detailed above in connection with the rejection of independent claims 1 and 20. They are also allowable for the additional features, steps and structure recited therein.

Applicants specifically traverse the rejections of dependent claims 13, 17, 32 and 36 which variously recite the features of basing a rebate on cash advances or transfers of credit balances, and the features of transferring rebates to a second credit card held by a second card holder. It is submitted that such features are new, unique and non-obvious and are nowhere taught or suggested in any portion of Walker.

New independent claim 39 has been added to provide protection of appropriate scope for an embodiment of the process according to the present invention. No new matter has been introduced. It is submitted that new claim 39 is allowable, including for the reasons that claims 1 and 20 are allowable, and notice to this effect is respectfully requested.

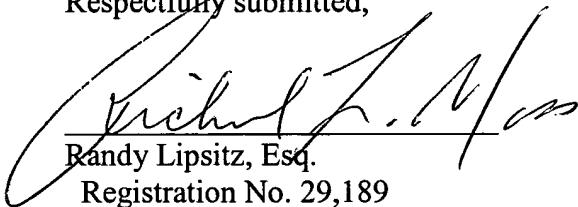
On the basis of the foregoing amendments and remarks, which constitute a bona fide attempt to advance the application (37 CFR 1.111), Applicants respectfully submit that this application is in condition for immediate allowance, and notice to this effect is earnestly requested. The Examiner is invited to contact Applicants' undersigned attorneys at the telephone number listed below if it will advance the prosecution of this case.

Submission of formal drawings will be deferred until allowance of the application.

No fee is believed due with this Response other than the \$770.00 fee for the RCE filed herewith and the \$950.00 fee associated with the Petition for a Three-Month Extension of Time submitted herewith.

Please charge any fee deficiency and credit any overpayment to the undersigned attorney's Deposit Account No. 50-0540.

Respectfully submitted,



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